

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

In re:

V.S. INVESTMENT ASSOC., LLC,

Debtor(s).

Chapter 11

NO. **20-11541**

STATEMENT IN RESPONSE TO
ORDER SCHEDULING CASE
MANAGEMENT CONFERENCE

COMES NOW V.S. Investment Assoc., LLC., by and through counsel, and hereby files the following report as ordered by the court in its Order Scheduling Case Management Conference.

1. Case Flow Analysis: The debtor is not an operating entity. Debtor is a real estate development company. Debtor's only assets include real property located at 2463, 2465, 2467 and 2469 South College Street, Seattle, WA 98144, ("Seattle Properties") and 319 75th Street, Everett, WA 98203 ("Everett Property"). The Everett Property is currently zoned and permitted to build ten townhomes. The Seattle Properties include 4 completed units that are ready for sale. Other than revenue resulting from the sale of real property, the Debtor expects no cash receipts or disbursements in the next 120 days.

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2. Historical Financial Information: The debtor has not conducted active business operations since April 2019 when it sold real property located at 1601 South State Street, Seattle, WA 98144. Debtor incurred expenses of \$284,000 during the project and sold the property to Alpine Homes LLC for \$550,000.00. Debtor had a net loss on the property of \$508,636.

Prior to filing, Debtor incurred \$3,283 in attorney fees. The filing fee and attorney fees were paid by a family member of the Debtor's members. Debtor have also incurred and paid expenses for a general liability and property insurance policy for the Everett Property.

3. Post-petition Income and Expenses: The debtor has had no income and made no disbursements since filing this case. Debtor incurred an expense for a general liability and property insurance policy for the Seattle Properties (\$6,659.76), and a General Contractor's bond for the company (\$180.00). These expenses were paid personally by the debtor's members. Debtor incurred a liability for Snohomish County real estate tax in the amount of \$2,573.48 that became due 6/1/2020. Debtor has incurred unpaid professional fees for counsel for the debtor in possession of approximately \$7,500 to date.

4. Budget for professional fees: Debtor budget for professional fees is as follows:

June 2020: \$7,500

July 2020: \$5,000

August 2020: \$3,500

September 2020: \$3,500

The budget for professional fees is based on the expectation that the debtor intends to file a motion for an order approving the sale of the Seattle Properties free and clear of liens. Debtor

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1 also intends to respond to creditor motions, and propose a reorganization plan to develop and sell
2 the Everett Property to pay creditors.

3 If the debtor moves forward with a court-approved sale of any real property, whether by
4 motion or through a reorganization plan, the debtor will be obligated to pay a 6% real estate
5 commission of unknown amount.
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7 Dated this 30th day of June 2020.

8 BOUNTIFUL LAW PLLC.

9 By: /S/ Brad L. Puffpaff

10 Brad L. Puffpaff, WSBA No. 46434

11 Attorney for Debtor
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